

## Frequently Asked Questions

### ***Who administers the program?***

The State Treasurer, Office of Minority & Women's Business Enterprises, and Department of Community, Trade, and Economic Development each have roles in the administration of the program.

### ***Who is eligible to participate in the program?***

The program is available to any currently certified minority or women's business enterprise.

### ***Does the state loan funds to the firm? Is this a loan guarantee?***

No. The state is not lending funds or guaranteeing loans. The state only purchases the certificates of deposit that make the interest rate reduction possible. Firms are required to meet the borrowing criteria of their lenders. The State assumes no risk or liability on Linked Deposit loans.

### ***Can my business have more than one loan?***

Yes. There is no limit to the number of loans a firm can have enrolled in the program, however, each loan cannot exceed \$1 million. Multiple loans for a single multi-million dollar deal will not be accepted.

### ***Why can the interest rate reduction be less than two percent?***

The State Treasurer requires an interest rate floor guaranteeing an effective rate of return of at least two hundred basis points (2%) on Linked Deposit Certificate of Deposits. When interest rates fall below this level the banks are then authorized to reduce the interest rate reduction given to the firms by an equivalent amount, so that the effective rate of return earned by the State Treasurer is at least 2%.

### ***What do I do if my bank does not participate in the Linked Deposit Program?***

Any qualified commercial bank or savings & loan institution is eligible to participate as a Linked Deposit lender. If your bank is not enrolled as a Linked Deposit lender, have your banker contact the Office of the State Treasurer. Banks are not required to participate in the program. Their participation is strictly voluntary.

[www.OMWBE.wa.gov/LDP](http://www.OMWBE.wa.gov/LDP)

The **Washington State Office of Minority and Women's Business Enterprises** helps create and sustain an equitable business environment by promoting the participation in public contracting and procurement of all qualified and available businesses owned and controlled by minorities, women, and all others who may be socially and economically disadvantaged.

**OMWBE** works to improve the contribution of certified minority, women, and socially and economically disadvantaged businesses to the Washington State economy through their increased utilization in public contracting and procurement.



406 South Water Street  
Olympia, WA 98504  
866-208-1064 Toll Free  
360-586-7079 Fax  
[www.OMWBE.wa.gov](http://www.OMWBE.wa.gov)

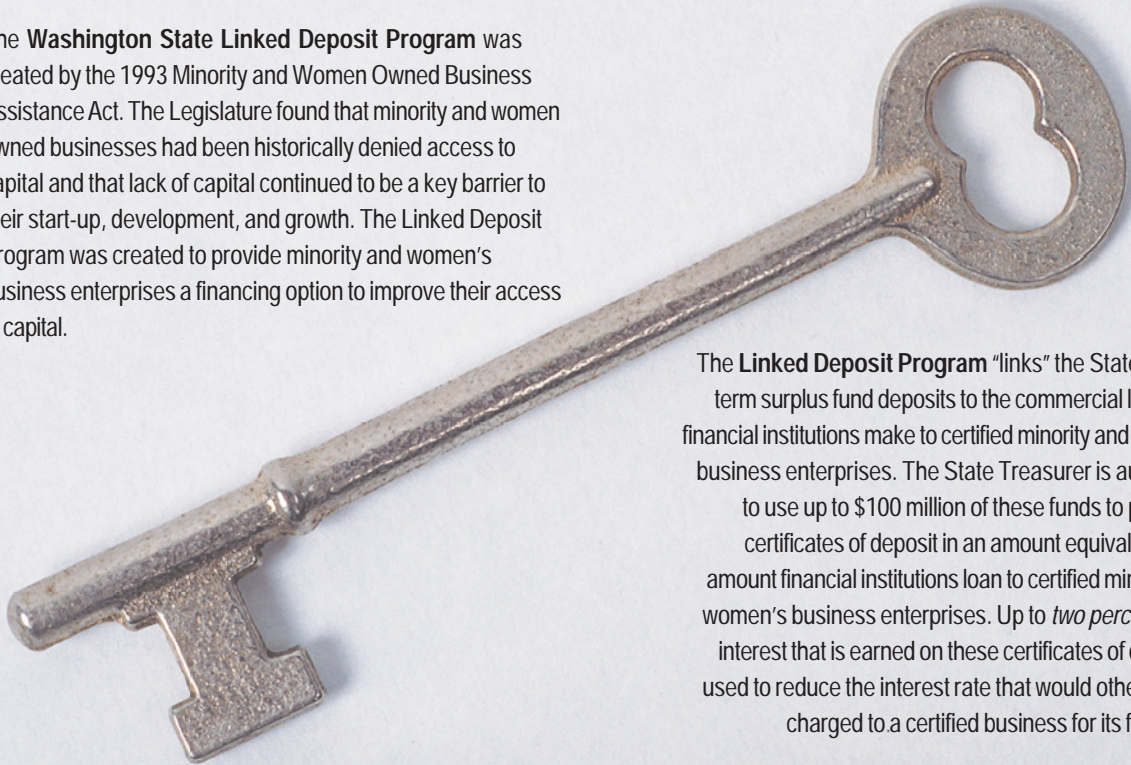
Linked Deposit Online  
[www.OMWBE.wa.gov/LDP](http://www.OMWBE.wa.gov/LDP)

## Washington State Linked Deposit Program

## Washington State's Financing Program for Certified Minority and Women's Business Enterprises



The **Washington State Linked Deposit Program** was created by the 1993 Minority and Women Owned Business Assistance Act. The Legislature found that minority and women owned businesses had been historically denied access to capital and that lack of capital continued to be a key barrier to their start-up, development, and growth. The Linked Deposit Program was created to provide minority and women's business enterprises a financing option to improve their access to capital.



The **Linked Deposit Program** "links" the State's short-term surplus fund deposits to the commercial loans that financial institutions make to certified minority and women's business enterprises. The State Treasurer is authorized to use up to \$100 million of these funds to purchase certificates of deposit in an amount equivalent to the amount financial institutions loan to certified minority and women's business enterprises. Up to *two percent* of the interest that is earned on these certificates of deposit is used to reduce the interest rate that would otherwise be charged to a certified business for its financing.

**Qualifying Loans**

- ◆ Firm must be certified as an MBE, WBE, MWBE, or CBE by the Washington State Office of Minority & Women's Business Enterprises
- ◆ Firm must satisfy its bank's financing/loan criteria
- ◆ Types of qualifying loans: Any commercial financing made to the certified firm, e.g., lines of credit, financing of accounts receivable, working capital, equipment purchases, real property acquisition
- ◆ \$1 million per-loan limit; ten year maximum term
- ◆ Interest rate: up to two percentage points below the market rate for a similar loan

**OMWBE Certification Criteria**

- ◆ Eligible owner must be a U.S. citizen or lawful permanent resident
- ◆ Eligible owner must be a minority (African American, Asian American, Hispanic American, Native American), or a woman
- ◆ Eligible owner must own at least 51% and maintain managerial control and operational control of their business
- ◆ Firm must be independently owned and operated
- ◆ Firm must be a small business
- ◆ Firm must perform a "commercially useful function"

**Participating Banks**

The Linked Deposit Program is available to any qualified depository doing business in Washington State. Contact your bank to find out if they are an active Linked Deposit lender. The following lenders have participated in the program:

- |                          |                       |
|--------------------------|-----------------------|
| AmericanWest Bank        | Pacifica Bank         |
| Bank of the Pacific      | People's Bank         |
| Bank of Whitman          | Regal Financial Bank  |
| Banner Bank              | South Sound Bank      |
| Cascade Bank             | Sterling Savings Bank |
| Coastal Community Bank   | Timberland Bank       |
| Commerce Bank of WA      | U.S. Bank             |
| Evergreen Bank           | Valley Bank           |
| First Heritage Bank      | Venture Bank          |
| First Mutual Bank        | Viking Bank           |
| Frontier Bank            | Washington Trust Bank |
| Islanders Bank           | Wells Fargo Bank      |
| Key Bank                 | West Coast Bank       |
| Kitsap Bank              | Wheatland Bank        |
| Pacific Continental Bank | Whidbey Island Bank   |

**Contact**

**For general program information, certification and other business development services:**

Office of Minority & Women's Business Enterprises  
406 South Water Street  
Post Office Box 41160  
Olympia, WA 98504-1160  
866-208-1064 Toll Free  
360-586-7079 Fax  
[www.OMWBE.wa.gov](http://www.OMWBE.wa.gov)



**For banks interested in participating in the Linked Deposit Program:**

Office of the State Treasurer  
Legislative Building  
Olympia, WA 98504-0200  
360-902-9011  
[www.tre.wa.gov](http://www.tre.wa.gov)



**For questions regarding program performance:**

Department of Community, Trade, & Economic Development  
128 10th Ave SW  
Olympia, WA 98504  
360-725-4041



Visit Linked Deposit Online at [www.OMWBE.wa.gov/LDP](http://www.OMWBE.wa.gov/LDP)